

MINUTES OF REGULAR MEETING OF THE EXECUTIVE COMMITTEE OF
PHILIPPINE SUGAR ASSOCIATION, HELD ON TUESDAY, OCTOBER 6,
1953.

PRESENT:

Mr. Manuel Elizalde
" Ernesto Escaler
" L. Planas
" G. L. Noriega, alternate for Mr. J. Amado Ananeta
" J. J. Brickley
" S. Jamieson
" H. V. McLennan (by invitation)

ABSENT:

Mr. G. H. Wilkinson
Mr. Antonio Roxas

Mr. Manuel Elizalde, President, called the meeting to order and thereafter presided. Mr. S. Jamieson, Secretary-Treasurer, kept the minutes.

MINUTES OF PREVIOUS MEETING

The minutes of the regular meeting held on September 1, 1953, having been previously signed and approved by all the Members of the Committee present at that meeting, on motion duly made and seconded were ordered filed.

SECRETARY-TREASURER'S REPORT

The Secretary-Treasurer submitted his report for the period September 1 to October 6, 1953, showing total expenditures in the amount of P19,813.54 and cash on hand and in the PNB of P29,775.99. He explained that the only special item was the payment of the last quarterly retainer for the Washington representative, Honorable Emmet O'Neal, in the amount of P11,797.81, including excise tax and Bank charges, the other items of expenditures being customary items. On motion duly made and seconded, the Secretary-Treasurer's report was approved and ordered filed.

INTERNATIONAL SUGAR AGREEMENT

Mr. C. G. Gordon's letters of September 4 and 8, respectively, with their enclosures, commenting on various provisions of the proposed International Sugar Agreement adopted at the United Nations Sugar Conference held in London from July 13 to August 24, 1953, were submitted. The Secretary-Treasurer was requested to thank Mr. Gordon for his interesting comments on various

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provisions of the proposed agreement and also to record the Association's thanks to him for having placed his experience and knowledge at the disposal of the Philippine sugar industry as adviser to the Philippine delegation at the Conference.

The Secretary-Treasurer reported that Mr. Gordon had submitted his per diem and expense account in the amount of \$1066.77 for his attendance at the Conference. Mr. Elizalde undertook to have the account approved by the Philippine Sugar Institute and the amount remitted for credit to Mr. Gordon's current account with the Hongkong and Shanghai Banking Corporation, 72 Wall Street, New York, in accordance with his request.

A letter from the Department of Foreign Affairs dated September 28 and a letter from the Sugar Quota Administrator dated September 30, both requesting the Association's comment and recommendation on the International Sugar Agreement, were brought up for consideration. It was agreed to support the recommendation contained in the letter from the Department of Foreign Affairs, dated September 28, that since Congress will not be in session till next year, the Philippine Government should seek a formal deferment of the ratification of the International Sugar Agreement for a period of four months from December 15, 1953, in accordance with Par. (b) of Article 41 thereof.

PHILIPPINE QUOTA DEFICIENCIES
IN THE UNITED STATES MARKET

Referring to the resolution adopted at the meeting of the Executive Committee held on September 1, 1953, and duly recorded in the minutes of that meeting, Mr. Elizalde said that he had discussed the matter by telephone with the Secretary of Foreign Affairs, who is in the United States, and with other parties here, and that he believed the resolution would receive some measure of support in official circles. He added that the Secretary of Foreign Affairs is due to return to the Philippines on Monday, October 12, and that he would be glad to arrange for the interested parties to meet the Secretary if they so desired. Upon Mr. Noriega's suggestion, it was agreed that the Secretary of Foreign Affairs be invited to be the guest of honor at a luncheon to be tendered by the Association at a place and date convenient to him, and the Secretary-Treasurer was requested to make the necessary arrangements for the luncheon in due course.

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EXCHANGE TAX

A letter, dated September 17, 1953 from the Association's attorneys, explaining that nothing can be done to amend the existing Exchange Tax Law until Congress convenes in January, 1954, was read and ordered filed.

The Secretary-Treasurer's letter of September 8, 1953, to the Governor of the Central Bank, endorsing the recommendation of the Philippine Society of Agricultural Engineers for the issuance of a supplement to the classification regulations governing agricultural machinery and equipment to provide for instances when tractors over 60 drawbar horsepower are bought for agricultural purposes and when engines are used as permanent installations in irrigation systems or to run sprinkler units for a minimum period of six months being exempted from the payment of exchange tax, was approved and ordered filed.

BLUE SUNDAY LAW (REPUBLIC ACT NO. 946)

The Secretary-Treasurer reported that largely through the able efforts of Mr. Musa, the Association secured from the Department of Labor permits for all sugar centrals to operate on Sundays and their legal holidays before Republic Act No. 946 became effective on September 20, and that this service had been much appreciated by Central Members. The Secretary-Treasurer pointed out that notwithstanding the granting of this permit each Central Member must still obtain a seasonal exemption from the provisions of the Eight Hour Labor Law as in the past.

FREIGHT RATE FOR 1953-54 CROP

The Secretary-Treasurer reported that the freight rate on sugar from the Philippines to U.S. Atlantic Coast ports had been declared open as from October 1, 1953, and that each sugar central is now free to negotiate rates with Conference Lines in accordance with the letter-agreement executed on September 7, 1953, by and between the Shippers' Committee and the Associated Steamship Lines, copy of which is attached to these minutes.

APPLICATIONS TO OPEN LETTERS OF CREDIT

The Secretary-Treasurer reported that under date of September 5 the Association had written to Dr. Andres Castillo, Acting Governor of the Central Bank, making certain suggestions with a view to facilitating action

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on Central Members' applications for letters of credit, but that no reply had yet been received to this letter, nor any action taken thereon. It was, therefore, decided that a special committee consisting of Messrs. Ernesto Escaler, G. L. Noriega, G. Libregat, and H. V. McLennan seek an appointment with Dr. Castillo to make personal representations in the matter, and Mr. Musa, the Legal Officer of the Association, was instructed to arrange this appointment as soon as possible.

SHIPMENTS OF SUGAR TO U. S.

Referring to Circular Letter No. 90, regarding the entry of Philippine sugar in the U.S. prior to December 31, 1953, the Secretary-Treasurer stated that it was issued to emphasize the point that, in order to be charged to the 1953 quota, the sugar must arrive at the actual port of discharge, and not merely at a port of entry, by midnight of December 31, 1953.

PACKING OF SUGAR FOR LOCAL CONSUMPTION

At the meeting of the Executive Committee held on April 7, 1953, it was agreed that the Association would recommend to its Central Members that they mark their domestic sugar bags "For Industrial Purposes only". The question of the packing of planters' domestic sugar was raised, and it was believed that this would in most cases be determined by milling contract provisions, in which event it would become a matter for each individual Central Member to decide for itself.

PHILIPPINES SUGAR TECHNOLOGISTS

The Philippines Sugar Technologists submitted to the Association a copy of a resolution adopted by them at their annual convention on August 29, 1953, requesting the Philippine Government to construct irrigation systems and to undertake measures for flood control and reforestation for sugar cane areas, and requested the Association's assistance to secure favorable action on the resolution. It was decided to endorse the resolution for approval and to notify the Secretary of Agriculture and Natural Resources accordingly.

PROGRESSIVE TAXES

The Secretary-Treasurer reported that no action had yet been taken by the President on the petitions for the waiver of the progressive taxes on the 1950-51, 1951-52, and 1952-53 crops. It was agreed that there was nothing to do but await the President's decision.

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WASHINGTON REPRESENTATION

At the request of Mr. M. J. Ossorio, Mr. McLennan submitted the name of Mr. Richard R. Ely for consideration as the Association's Retained Counsel in Washington. Mr. Elizalde said that they were grateful for this suggestion and would keep it in mind, adding that at the request of the Executive Committee Mr. G. H. Wilkinson had looked into and discussed with various parties the matter of Washington representation and would be reporting on it on his return to the Philippines on or about October 14, 1953.

There being no other business, on motion duly made and seconded, the meeting adjourned at 11:15 a. m.

(SGD.) S. JAMIESON
Secretary-Treasurer

APPROVED:

(SGD.) MANUEL ELIZALDE
President
Chairman of the meeting

(SGD.) ERNESTO ESCALER

(SGD.) I. LANAS

(SGD.) G. L. NORIEGA

(SGD.) J. J. BRICKLEY

COPY

PHILIPPINE SUGAR ASSOCIATION
Manila, Philippines

September 7, 1953

Associated Steamship Lines
Sugar Rate Committee
Manila, Philippines

Gentlemen:

For and in consideration of your declaring open the rate on sugar from the Philippines to United States destinations, we, the undersigned members of the Shippers' Committee, hereby pledge ourselves to abide by the following undertakings:

(a) We shall confine our shipments to vessels of members of your Association provided space is made available to us at competitive rates. Should at any time during the period of this agreement any of us fail to secure space from one of your members at a competitive rate, we hereby agree and undertake to give your Association Secretary-Manager 72 hours' notice to give your members an opportunity to meet whatever specific firm offer of a charter at a "going charter rate" we may have.

(b) "Competitive rate" in paragraph (a) is understood to be a rate approximately U.S. \$0.50 per long ton over the "going charter rate" which is hereby defined as the London or New York charter market rate for the position desired. We concede this premium realizing the advantages shippers obtain through conference vessels being available at short notice throughout the season and being willing to load less than a full ship. We agree to refuse offers of "distressed" vessels at the abnormally low rates such vessels usually offer. For this purpose any outside tonnage offering space for loading within a month of the offer at a rate lower than the "going charter rate" shall be considered a "distressed" vessel.

(c) It is mutually agreed that at the present time a fair and reasonable differential, for purposes of comparison between a berth term rate and an f.i.o. rate, is \$3.50 per long ton, which shall be exclusive of the premium of approximately U.S. \$0.50 per long ton referred to in paragraph (b). It is accepted that changing conditions may make an amendment to this differential of \$3.50 per long ton necessary in the future.

(d) We hereby agree to use the Sugar Freight Engagement Form "B" 5 for every individual booking we may make with any of your members and to abide by its terms and

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conditions. It is further agreed that no forward bookings in excess of 90 days shall be made under this agreement.

(e) As customary, any or all of the foregoing undertakings may be altered by mutual agreement after due negotiations between the A.S.S.L. Sugar Rate Committee and the P.S.A. Shippers' Committee. Negotiations may be initiated at the request of either Committee, and if no agreement is reached within one month, then either side can abrogate their side of the undertaking.

(f) This agreement comes into effect upon being signed by the Shipper and accepted by the A.S.S.L. on all sugar lifted on and after October 1st, 1953, and continues in effect until the end of the 1953-54 sugar crop subject to the stipulations in the preceding paragraph, unless a fixed rate is established in the interim by mutual agreement under (e) above.

Yours faithfully,

SHIPPERS' COMMITTEE

(SGP.) S. JAMIESON
Chairman

(SGP.) J. PLANAS
Member

(SGP.) J. S. CURTIS
Member

(SGP.) G. L. NORIEGA
Member

(SGP.) C. LOBREGAT
Member

(SGP.) H. Y. McLENNAN
Member

CONFIRMED:

ASSOCIATED STEAMSHIP LINES

By: (SGD.) L. G. HUBELE
For SUGAR RATE COMMITTEE
Sept. 9, 1953

COPY

BACLOD-MURCIA MILLING CO., INC.
Second Floor, Chaco Building
Manila, Philippines

September 9, 1953

Philippine Sugar Association
Ayala Building
Manila

Gentlemen:

In connection with the letter of the Shippers' Committee of the Philippine Sugar Association to the Associated Steamship Lines dated September 7, 1953, I wish to make it of record that I am signing the said letter in my capacity as member of the Shippers' Committee of the Philippine Sugar Association, for and in behalf of the Association, and not in representation of the sugar centrals which Mr. J. Amado Araneta, for whom I am alternating, represents in the Association. In this connection, let it be understood that this instant letter will be made an integral part of the Committee's letter mentioned above insofar as my representation is concerned.

Very truly yours,

(SGD.) GREGORIO L. NORIEGA
Alternate for
J. Amado Araneta

GLN:cej

COPY

ASSOCIATED STEAMSHIP LINES
Sta. Lucia Corner Andra Streets, Intramuros,
Manila, Philippines

MANILA, September 10, 1953

Philippine Sugar Association
Manila, Philippines

Attn: Mr. S. Jamieson

Gentlemen:

SUGAR FREIGHT RATE

We acknowledge with thanks your letter of September 9 enclosing original and 7 copies of your letter of September 7 duly signed by each member of the Shippers' Committee. Your remarks in connection with Mr. Noriega's signature has been duly noted as well as contents of his letter dated September 9 to your Association.

At meeting yesterday afternoon, our Committee found your letter of September 7 to be in full accord with previous discussions held with your goodselves, and we return herewith 7 copies of this agreement duly signed per your request.

Original of this agreement is being distributed to all members of our Association today, with the understanding that no bookings are to be made until such time as shipper signs this agreement executed between your Committee and ours. The Secretary Manager of our Association will be in further communication with all shippers in this respect.

Yours very truly,

ASSOCIATED STEAMSHIP LINES,
SUGAR RATE COMMITTEE

(SGD.) L. G. HUBELE

LGH/mdh
Encls.

cc: Members, Sugar Rate Committee